

NO. CV 03-_____

STATE OF CONNECTICUT	:	SUPERIOR COURT
	:	
V.	:	JUDICIAL DISTRICT OF
	:	HARTFORD
WILLIAM RAVEIS REAL ESTATE, INC.	:	
	:	SEPTEMBER 22, 2003
	:	

STIPULATED JUDGMENT

This action, by writ and complaint, claiming injunctive relief and civil penalties came to this Court on September 22, 2003, and thence to the present time when the parties appeared and filed a written stipulation that judgment be entered as hereinafter set forth.

Plaintiff, the State of Connecticut, by and through Richard Blumenthal, its Attorney General (hereinafter referred to as the “State” or “Connecticut”), acting on behalf of James T. Fleming, the Commissioner of Consumer Protection (hereinafter referred to as the “Commissioner”), and Defendant, William Raveis Real Estate, Inc. (hereinafter “Raveis” or “Defendant”), as evidenced by their signatures, do consent to the entry of Judgment and its provisions without trial or adjudication of any issue of fact or law, and without admission of liability.

This is a Stipulated Judgment (“Order” or “Judgment”) for which execution may issue. Defendant hereby accepts and expressly waives any defect in connection with service of process issued on the Defendant by the State. Plaintiff and Defendant consent to entry of this Judgment without further notice.

This Order does not constitute an admission by Defendant for any purpose of any of the allegations made by the Attorney General in the Complaint filed in this matter or any violation of any state or federal law. Defendant enters into this Order without admitting any wrongdoing and for settlement purposes only. Plaintiff and Defendant have, by signature of their respective counsel hereto, waived any right to appeal, to petition for certiorari, or to move to reargue or rehear, in connection with this Stipulated Judgment, as originally submitted to the Court, except as otherwise set forth herein.

This Stipulated Judgment shall bind Plaintiff and Defendant and shall be binding on any and all future purchasers, merged parties, inheritors, or other successors in interest of Defendant.

I. PERMANENT INJUNCTION

Accordingly, it is hereby agreed by Defendant that immediately upon entry of this order, pursuant to Conn. Gen. Stat. § 42-110m, Defendant, and its successors and assigns, acting directly, or in concert, through any agent, corporation, subsidiary, division, or any other

device, shall be permanently enjoined and restrained from engaging in the following activities and practices:

1. Defendant shall accurately represent the basis or reason underlying any Fee that it charges in connection with any real estate transaction.
2. Defendant shall not represent or imply that any Fee it charges is: (a) required by federal or state law or regulations, if it is not so required; (b) intended to reimburse Defendant for the cost of complying with the obligations imposed by any federal or state law or regulation, unless the amount of the Fee, on a per transaction basis, is equivalent to the amount that it costs Defendant to comply with the obligations imposed by the federal or state law or regulation, on a per transaction basis; (c) intended to reimburse or compensate Defendant for the cost of processing or administering any transaction, unless the amount of the Fee, on a per transaction basis, is equivalent to the amount that it costs Defendant to process or administer a transaction, on a per transaction basis; or (d) intended for reimbursement of a particular cost, or combination of costs, incurred by Defendant, unless Defendant has prior substantiation that the amount of the Fee is equivalent to the cost, or costs, for which it is intended to reimburse Defendant; provided, however, that nothing contained herein shall be construed as prohibiting Defendant from charging any Fee or combination of Fees that otherwise comply with the law.

II. MONETARY RELIEF

1. Within ten (10) days of the entry of this Stipulated Judgement, Defendant shall pay to the State of Connecticut One Hundred Thousand Dollars (\$100,000) for deposit into the General Fund of the State of Connecticut.

III. CONSUMER EDUCATION AND ASSISTANCE

1. Within ten (10) days of the entry of this Stipulated Judgement, Defendant shall pay One Hundred Thousand Dollars (\$100,000) to the State to be allocated as follows:

- a. Fifty Thousand Dollars (\$50,000) shall be deposited by the State in a Fund maintained by the Attorney General for consumer complaint resolution programs, consumer education, or consumer protection enforcement and litigation;
- b. Fifty Thousand Dollars (\$50,000) shall be deposited by the State in a Fund maintained by the Commissioner for consumer complaint resolution programs, consumer education, or consumer protection enforcement and litigation.

2. Within ten (10) days of the entry of this Stipulated Judgment, Defendant shall donate Twenty Five Thousand Dollars (\$25,000) to the University of Connecticut's Center for Real Estate and Urban Economic Studies.

IV. RESTITUTION

1. Each consumer who paid a fee to Defendant that was represented as a “Compliance Fee” shall be entitled to restitution of \$30 for each “Compliance Fee” he or she paid to Defendant.
2. Within sixty (60) days of the entry of this Stipulated Judgment, Defendant shall transmit, via first-class, postage pre-paid mail, to each consumer identified in paragraph IV(1) a notice informing them of their entitlement to restitution. The notice shall be in the form of the notice attached hereto as Exhibit A. The notice shall be mailed to the last known address of each entitled consumer and shall not be included in or with any other mailings, solicitations, newsletters or advertisements that ordinarily may be sent to consumers.
3. Restitution shall be made to each entitled consumer who notifies Raveis pursuant to the terms of this Section IV via check, which shall be mailed, postage pre-paid, to the address as requested by the entitled consumer.
4. Within one hundred and ninety (190) days of the entry of this Stipulated Judgment, Defendant shall certify, in writing, that it has fully performed the obligations set forth in Section IV of this Stipulated Judgment. Defendant, at that time, will also provide a list identifying all consumers to whom the notice was sent, the last known address to which the notice was sent, and all consumers to whom restitution was sent.
5. The failure by any entitled consumer to receive the notice informing them of the restitution shall not eviscerate that consumer’s entitlement to restitution under this Stipulated

Judgment. If any consumer validly notifies Defendant, either directly or indirectly, of his or her entitlement to restitution under this Stipulated Judgment within one hundred and eighty (180) days of the entry of this Stipulated Judgment, Defendant shall ensure that the consumer receives the restitution to which he or she is entitled pursuant to the terms herein.

6. All costs associated with the performance of obligations under this Section shall be borne by Defendant.

V. GENERAL PROVISIONS

1. This order shall be binding upon Defendant, its successors and assigns, and its current and future principals, officers, directors, and to all employees, agents and representatives whose acts, practices, or policies are directed, formulated, or controlled by Defendant, and Defendant and its successors and assigns shall provide notice of this Order to all current and future principals, officers, and directors, and to all current and future managers, agents, representatives, and employees having responsibilities with respect to the subject matter of this Order.

2. This Order does not constitute an approval by the Attorney General of any of Defendant's past or future advertising, marketing, or other business practices.

3. Nothing in this Order shall be deemed to permit or authorize any violation of the laws of Connecticut or otherwise be construed to relieve Defendant of any duty to comply with the applicable laws, rules and regulations of Connecticut, nor shall anything herein be deemed to constitute permission to engage in any acts or practices prohibited by such laws, rules or regulations.

4. The Attorney General shall not institute any further civil proceedings or take any further civil action against Defendant under the Connecticut Unfair Trade Practices Act for the acts and practices described in the Complaint up to and including the date Defendant executes this Order. Nothing herein shall waive the State's rights to enforce this Order.

5. Nothing herein shall be interpreted to prevent the State from taking enforcement action to address conduct occurring after the entry of this Order that the State believes to be a violation of law.

6. Defendant shall, for a period of three (3) years after the date of entry of this Order, maintain copies of all current advertisements, brochures, publications, fliers, and other materials that are drafted, developed, or approved by Defendant and provided directly or indirectly to a real estate seller or buyer, or to Defendant's agents for dissemination to such sellers or buyers, describing or otherwise discussing any Fee charged to a real estate seller or buyer by Defendant. Such material shall be provided to the Attorney General within thirty (30) days following receipt of such a request from the Attorney General.

7. Within ten (10) days of the execution of the entry of this Judgment, Defendant shall appoint and identify a person who shall serve as Compliance Officer on its behalf to address and resolve any issues that may be raised by entitled consumers which fall within the scope of this Stipulated Judgment.

8. If any portion of this Stipulated Judgment is held invalid by operation or interpretation of law, the remaining terms of this Stipulated Judgment shall not be affected.

VI. REPRESENTATIONS AND WARRANTIES

1. Defendant represents that, to the best of its knowledge, the term “Compliance Fee” was not included on any real estate listing or buyer’s agreement that Defendant entered into after July, 2002.

2. Defendant represents that it has not collected a “Compliance Fee” from any consumer since July, 2002.

3. Defendant represents that it possesses a comprehensive list of consumers who paid a “Compliance Fee” to Defendant, including the name and last known address of the consumers.

4. Defendant represents that it possesses full knowledge and understanding of the nature of the proceedings and the obligations and duties imposed by this Stipulated Judgment, and enters into this Stipulated Judgment as its own free and voluntary act.

5. Defendant further acknowledges that it understands that the State expressly relies upon all of the above representations set forth herein, and warrants that if any such representation is false, misleading, deceptive or otherwise untrue, the State maintains the right to seek any relief available to it under the law, including but not limited to moving to vacate the Order entering this Stipulated Judgment. In no circumstance, however, shall the State's seeking of any relief under this section nullify the obligations of Defendant pursuant to Sections II, III, and IV herein.

IT IS SO ORDERED, ADJUDGED, AND DECREED

Dated at Hartford, Connecticut this _____
day of September, 2003

BY THE COURT

Judge